58340-3
8/24/88 A

Washington LABOR MARKET

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

July 1988

Highlights

Job Growth Continues

Total employment in Washington State rose 28,100 between May and June with seasonal expansions in both agriculture and non-farm industries. The expansion, however, was less than usual for June, contrasting with a greater than seasonal gain in May. After seasonal adjustment, employment dropped about 11,000 in June to return to near its May level.

The decline in the adjusted total was largely the result of rain and cool weather in June which moderated the upturn in agricultural employment. Overall, of course, the rain in June was beneficial to agriculture in the state because of less than normal rainfall last fall and winter. And despite the below average expansion, the job total in the state was up 95,000 over the year in June.

Volume 12, Number 7

	June 1988* (Prel.)	May 1988 (Rev.)	June 1987
Civilian Labor Force	2,380,300	2,351,600	2,305,100
Total Employment	2,234,300	2,206,200	2,139,300
Total Unemployment	146,000	145,400	165,800
State Unemployment Rate	6.1	6.2	7.2
National Civilian Unemployment Rate	5.5	5.4	6.3

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Unemployment Steady

Numerically, unemployment was little changed over the month (145,400 in May versus 146,000 in June) as job growth was offset by the entry of recent graduates and vacationing students into the job market. The jobless rate edged down from 6.2 percent of the labor force in May to 6.1 percent in June because of growth in the labor force. After seasonal adjustment, however, the rate crept up from 6.4 to 6.5 percent because of the below normal seasonal job growth in June.

By contrast, the year-to-year comparison continues to reflect substantial improvement in the state's economy: unemployment dropped 19,800 between June 1987 and 1988 and the jobless rate fell over one percentage point, from 7.2 to 6.1 percent.

INDUSTRY DEVELOPMENTS

Cherry and Strawberry Harvests Begin

Farm employment expanded in June as usual with the beginning of the cherry harvest overlapping the end of the asparagus harvest in Eastern Washington and the start of the strawberry harvest in Western Washington. The June increase in seasonal farm jobs, however, was below normal because rain damaged the cherry

crop in some areas, and cool June weather delayed the strawberry harvest.

Nonfarm Payrolls Up Nearly 20,000 in June

Employment in public and private education dropped sharply in June as usual, but growth in other industries pushed the nonagricultural job total up 19,800. The major increases were in trade, construction, and manufacturing.

Vacation Time

Retail trade employment jumped 6,000 in June to lead the expansion. Restaurants and drinking places alone added nearly 2,400 workers with the beginning of the summer tourist season. Apparel store were also busy and employed over 1,800 additional employees to sell summer items. Sizable gains were noted at gasoline stations, recreational vehicle dealers, and building supply stores.

Wholesale trade employment rose 3,200 in June. About two-thirds of the increase was at fruit and vegetable wholesale houses in Eastern Washington which were busy packing and shipping this year's cherry crop.

Construction Going Strong

Employment in construction jumped 4,100 from May and was up 11,400 over the year in June. Housing units authorized in the second quarter were up over the year in Washington State despite a decline in housing starts nationally. The strength of the state's economy has attracted new residents who require housing despite somewhat higher mortgage rates this year.

Schools Begin Summer Layoff

Public education payrolls fell 4,100 in June as schools began laying off bus drivers, cafeteria workers, and other noncertificated staff not needed for the summer. The decline in education in July will be even larger than in June as the fall impact of the temporary reduction is reflected in the data. Teachers and other certificated staff, who have contracts to return to their jobs in September, however, will still be counted as employed since they are paid on a twelve-month basis.

The drop in government employment in June was limited to 100 as losses in education were largely offset by seasonal hiring at parks, playgrounds and in other government outdoor employment. Summer work-experience programs for disadvantaged youth also started up in June to help reduce the seasonal cutback in government jobs.

Tourist Business Picks Up As Private Schools Trim Staff

A number of seasonal activities in the service industries picked up in June with the beginning of the summer tourist season. Hotels and motels added staff, and summer camps for youth began. Amusement establishments also expanded, especially golf courses, amusement parks and carnivals. Agricultural services added workers with more lawn and garden business. Medical care continued its long-term growth but nursing homes cut back moderately. Much of the growth in services, however, was offset by seasonal cutbacks at private schools and colleges which reduced staffing for the summer.

Trucking On A Roll

In other nonmanufacturing industries, transportation, communications, and utilities payrolls rose 1,900 in June. Most of the increase was in trucking because of the general increase in business activity and more farm-to-market hauling. Air transportation also expanded with more tourist business.

Finance-insurance-real estate employment rose 800 from May with seasonal growth in real estate and the hiring of vacation-replacement workers in finance and insurance. Employment continued to slip, however, at security and commodity dealers.

Aerospace Employment Over 100,000

Manufacturing employment moved up 3,100 in June led by a gain of 1,300 in aerospace. Aerospace employment in June totaled 100,100 and was at its highest level since 1968 because of brisk demand for Boeing jetliners. Since the beginning of the year, aerospace payrolls in Washington State have increased 2,600. Most of the growth was in the commercial airplane division of The Boeing Company where orders for the first seven months of 1988 nearly matched the record total of $19.87 billion for all of 1987. Boeing expects further growth in the third quarter but reductions in the fourth quarter, which will return the firm's work force to about its current level.

Strikes Reduce Lumber Jobs In July

A seasonal expansion boosted lumber employment 700 in June. At mid-month less than 200 lumber industry workers were involved in labor disputes, but strike activity expanded substantially since that time and was continuing in August. Employment in the industry will show a substantial drop in July as a result. While data are not available for Washington State at

this time, over 8,000 lumber workers in the Pacific Northwest were estimated to be involved in strikes at the beginning of August.

Machinery Adds 400

Machinery added 400 workers in June to post its largest gain of the year. Electrical and electronic equipment accounted for half of the gain. Growth was noted at firms producing printed circuit boards, telecommunications equipment, home entertainment electronics, and solid state devices.

Paper and allied products employment also rose 400 from May as firms added vacation-replacement workers as usual in June. Fabricated metals was up 300, largely due to seasonal orders from the construction industry. The canned and preserved food industry cut employment 300 to post the only sizable drop in manufacturing this June. The loss, however, was temporary and resulted from the winding down of work on the 1988 asparagus crop.

Nonfarm Jobs Up 77,400 Year to Year

The state's job market continues to show vigorous growth over the year with nonagricultural wage and salary employment up 77,400 or 4.2 percent over the year. Moreover, the expansion has been well balanced. The service industries continued to lead the upturn with a gain of 25,900 jobs followed by 18,100 in wholesale and retail trade, but construction added 11,400 year to year while manufacturing employment was up 17,100.

Aerospace payrolls were up 8,000 year to year while other manufacturing industries added 9,100. Sizable gains were noted in aluminum, up 1,500; machinery up 1,300; food products, up 1,800;and printing-publishing, up 1,100. Chemicals employment fell 1,100 to post the only loss in manufacturing. All of the reduction occurred at the Hanford Nuclear Reservation because of the decision to close the N Reactor.

Fewer Government Jobs

In the nonmanufacturing industries, the only job loss over the year was in government where the total fell 900 because of a drop of 1,500 on the federal level. Over half of the loss in federal civilian jobs occurred at defense establishments which were reducing staff because of funding cutbacks scheduled for the fiscal year beginning October 1, 1988.

AREA TRENDS

Eastern Washington Leads June Expansion

Employment and unemployment trends were mixed around the state in June. Eastern Washington accounted for nearly three-fourths of the job growth from May as expanding farm activity easily offset losses in education when the school year ended. The number of unemployed workers on the eastside was up 1,000 in June, but with employment advancing 20,800, the increased size of the labor force pushed the jobless rate down from 7.8 to 7.6 percent.

In Western Washington, unemployment declined about 400 in June, but employment rose only slightly as layoffs in education largely offset expansions in other industries, and the jobless rate remained unchanged at 5.7 percent. Unemployment rates in the Olympia (6.5 percent), Seattle (5.1 percent), and Vancouver (6.1 percent) metropolitan areas edged up slightly. Relatively more opportunities in agriculture, however, lowered rates in the Bellingham (6.5 percent) and Tacoma (6.4 percent) areas. Unemployment rates also declined slightly in most logging areas.

Changes were also mixed in Eastern Washington. The cherry harvest lowered the unemployment rate in the Wenatchee, 10.3 to 9.0 percent, and the Yakima, 9.9 to 9.0 percent, areas. Columbia County, however, saw its rate increase from 5.8 to 6.8 percent as the processing of the asparagus crop began to wind down. Like most metropolitan areas, Spokane's rate edged up in June, 6.1 to 6.3 percent.

INDUSTRY NOTES

Strikes Continue In Lumber Industry

The number of workers involved in labor disputes in the Pacific Northwest lumber industry which began in June soared to over 8,000 at the beginning of August. Union members are attempting to have wages and benefits restored by 1991, which were lost in 1986 when the industry was in a recession. Management maintains that it is unable to do that because they must compete with nonunion operations which pay lower wages and because of the cyclical nature of the industry. Some firms are instead offering to improve profit sharing plans.

Layoffs at Weyerhaeuser

Weyerhaeuser workers have not joined the strike even though no settlement has been reached. Should they go on strike too, an additional 6,600 workers would be involved in Washington and Oregon. Meanwhile, Weyerhaeuser has laid off a number of its workers in the Puget Sound area because of a softening of the Japanese log market.

Airbus Wins One

Airbus Industrie, the European consortium, was awarded a $1.5 billion order from Air Canada in July. The order was for 34 advanced Airbus A320 aircraft and options for 20 more. The Canadian airline plans to replace its aging Boeing 727 aircraft with the Airbus jets. Boeing had competed for the order, but it would be unrealistic to expect them to win all major contests.

New Market For Boeing

While Boeing lost the Air Canada order, it received permission from the Department of Commerce in July to export aircraft to Romania and Poland. Permission to sell commercial jets to other communist Eastern-Bloc countries is likely in the future. These nations have expressed interest in purchasing western planes because many of their current jets are old and do not meet new noise and pollution standards.

Boeing sees a minimum market of 100 jetliners in these countries in the next 12 years. Sales, however, depend on good relations with the Soviet Union. Maintenance of sensitive high-tech components would have to be done in western countries to prevent technology transfers.

Drought Eases

Four consecutive months of above normal rainfall, cool weather this spring, and conservation efforts have eased the drought in the Yakima Basin and other areas of the state, according to the Department of Ecology. The U.S. Bureau of Reclamation believes that the current water supply is sufficient to avoid any serious problems for agriculture in the Yakima Basin in 1988. A bureau spokesman, however, cautioned that there would be little or no reservoir carryover storage for the 1989 irrigation season. And with below normal stream flows in most areas of the state, conservation is still needed.

Labor Market Tightens

With the unemployment rate in the state at its lowest June level since 1969, shortages of certain workers are developing, notably teenagers and high-tech workers. The number of teenagers has declined significantly in recent years because of the low birth rates in the late 1960s and early 1970s. In 1980 there were 300,400 people from 16 through 19 years of age. By 1988 that number had declined to 267,300, a drop of 33,100 or 11 percent. Meanwhile, industries which employed large numbers of youth such as restaurants and retail stores have expanded substantially. As a result, firms hiring entry level workers have had to scramble to hire sufficient help, and "help wanted" signs have become common. Many firms have boosted starting wages and are recruiting older workers and persons with handicaps to try to fill their labor needs.

High-tech firms in the Seattle Metropolitan Area have also reported difficulty filling job openings. A survey by a Bellevue company, Resolution Business Press, indicated that over 55 percent of the high-tech companies in Redmond and Bellevue need additional workers. The Seattle Times reported in July that Microsoft alone had about 200 openings.

1,000 Hanford Jobs Saved

The U.S. Energy Department announced at the end of July that the Fast Flux Test Facility reactor at Hanford, which was expected to be closed in 1991, will be used to manufacture plutonium 238. The plutonium will provide heat for thermo-electric generators which will be fabricated at an adjacent building. The primary use for the generators will be on long-range space missions, but they will also be used by the Air Force and the Navy. According to the Energy Department, the generators will be needed until well into the 21st century, and the Hanford facility will be used to produce them at least through the year 2010.

The decision will preserve 1,000 jobs at the Fast Flux Test Facility reactor with 300 additional jobs expected to be added in 1994-95. Other opportunities for Hanford are created by the decision such as using the reactor for commercial power production and spin-off commercial projects ranging from radioisotope production for medical applications to the development of generators for non-government uses. The Hanford Nuclear Reservation, however, will still lose 6,000 jobs because of the closure of the N Reactor.

NATIONAL ECONOMIC INDICATORS

Inflation, the Major Concern

National economic indicators continue to point to a vigorous economy. Concern now is not whether the economy is expanding rapidly enough, but whether it is expanding so fast that it will lead to accelerating inflation later this year. There is no question that inflation picked up in the second quarter: inflation as measured by the GNP fixed weight price index rose from a 3.5 percent annual rate in the first quarter to 4.7 percent in the second quarter. A slowdown in the economy may keep inflation from getting out of hand, however.

The GNP grew at an annual rate of 3.1 percent in the second quarter, down from 3.4 percent in the first quarter and 6.1 percent in the final three months of 1987. Federal Reserve Board Chairman Alan Greenspan has indicated that the Federal Reserve wants the annual growth rate to slow to about 2.5 percent for the final half of 1988 to reduce inflationary pressures. Actions by the central bank have already boosted short-term interest rates by more than one percentage point since late March. In

mid-July, major banks raised their prime lending rate to 9.5 percent, the second boost this year and the highest level since March 1986.

Factories at Eight Year High

The Federal Reserve Board reported that the nation's factories, mines and utilities operated at 83.1 percent of capacity in June. This was the seventh increase in the last nine months and the highest level since March 1980. Growth in exports accounted for much of the expansion. Exports in May were up 31.4 percent from May 1987, while imports were only 9.4 percent higher. For the first five months of this year, the trade deficit was running at an annual rate of $140.7 billion, down from $166.5 billion for the comparable period in 1987. The National Association of Purchasing Management also noted a pick up in export business in their monthly survey.

Purchasing Agents Report Growing Orders

The survey of over 250 purchasing managers found that production and new orders continued to expand in July, fueled by a surge in export orders. The rate of increase in new orders was the second highest since October 1987 and suggests further growth in production, according to the association. Production expanded for the 19th consecutive month. The purchasing agents also reported slower vendor deliveries, also a sign of growth in the economy. Seasonal plant closing for maintenance or vacations likely contributed to the slowdown, however.

Leading Indicators Posts Strong Gain

The Index of Leading Economic Indicators, the government's main gauge of future economic activity, rebounded from a 0.8 percent decrease in May to post a gain of 1.4 percent in June. The June increase was the largest since December 1986.

Orders for plant and equipment rose sharply in June following a drop in May. Much of the increase was in one-time orders for aircraft and defense goods. Nonetheless, only one of the leading economic indicators declined in June, orders for consumer goods. Indicators posting the largest contributions to the gain in the leading indicator index in June besides plant and equipment orders were initial claims for unemployment insurance (down), the business delivery index, building permits, and stock market prices. The average workweek of manufacturing production workers was unchanged from May. Data on inventories and credit

outstanding were not available for the preliminary June estimate of the index.

CONSUMER PRICE INDEX
(All Items, Urban Consumers, 1982-1984=100)**

	INDEXES			PERCENT CHANGE Year Ending	
	June 1988	May 1988	June 1987	June 1988	May 1988
U.S. City Average	118.0	117.5	113.5	4.0	3.9
	July-Dec. 1987	July-Dec. 1986		July-Dec. '86 to July-Dec. '87	
Seattle*	110.3	106.7		3.4	

* The index for Seattle reflects prices in King, Pierce and Snohomish counties.

** The base period for the index has been changed from 1967=100 to 1982-1984=100. The conversion factors for the All Items, Urban Consumers Indexes on the 1967=100 base are U.S=0.3338279, Seattle=0.3280421.

Source: U.S. Department of Labor, Bureau of Labor Statistics

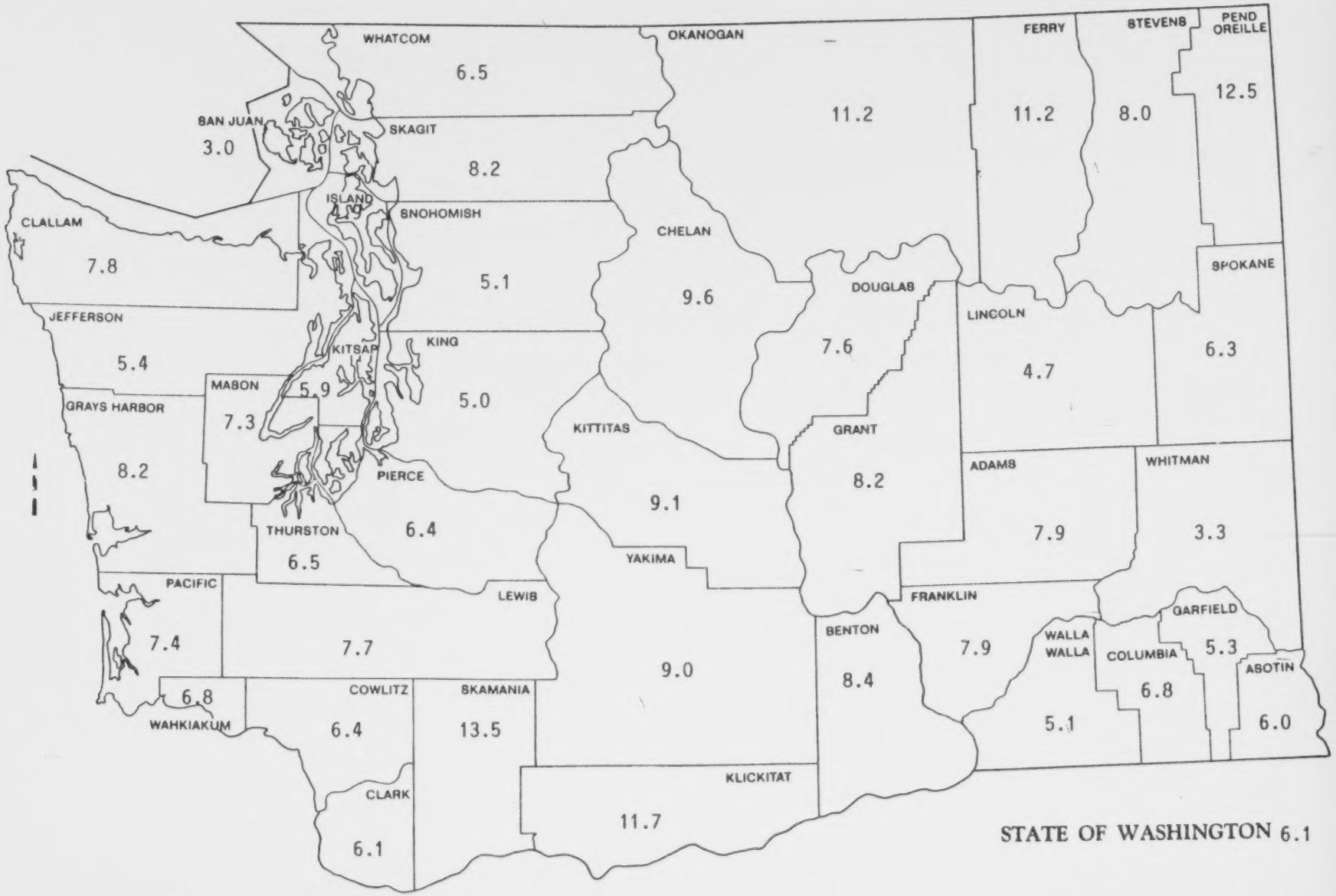
NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/
(In Thousands)

NOT SEASONALLY ADJUSTED Industry	June 1988 (PREL.)	May 1988 (REV.)	June 1987 (REV.)	May 1987 (REV.)	Numerical Change May 1988 to June 1988	Numerical Change June 1987 to June 1988
TOTAL NONAG. WAGE AND SALARY.....	1941.7	1921.9	1864.3	1936.6	19.8	77.4
MANUFACTURING.....	334.3	331.2	317.2	313.1	3.1	17.1
Durable Goods.....	237.0	234.0	222.7	219.4	3.0	14.3
Lumber & Wood Products.....	41.4 _3/	40.7	40.9	40.1	0.7	0.5
Furniture & Fixtures.....	3.8	3.7	3.7	3.6	0.1	0.1
Stone, Clay & Glass.....	6.8	6.7	6.7	6.5	0.1	0.1
Primary Metals.....	12.2 _3/	12.2	10.8	10.7	0.0	1.4
Aluminum.....	8.5	8.4	7.0	6.9	0.1	1.5
Fabricated Metals.....	11.0	10.7	10.4	10.1	0.3	0.6
Machinery.....	30.9	30.5	29.6	29.2	0.4	1.3
Machinery (Exc. Elec.)...	17.4	17.2	16.5	16.1	0.2	0.9
Electrical Equip.....	13.5	13.3	13.1	13.1	0.2	0.4
Transportation Equip.....	114.8	113.6	105.2	103.9	1.2	9.6
Aerospace.....	100.1	98.9	92.1	91.0	1.2	8.0
Other Transp. Equip.....	14.7	14.8	13.1 _3/	12.9 _3/	-0.1	1.6
Instruments & Related.....	11.1	10.9	10.7	10.7	0.2	0.4
Misc. Manufacturing.....	5.0	5.0	4.7	4.6	0.0	0.3
Nondurable Goods.....	97.3	97.2	94.5	93.7	0.1	2.8
Food & Kindred Products....	33.8	34.1	32.0	31.7	-0.3	1.8
Canned & Preserved Foods.	13.1	13.4	11.6	11.6	-0.3	1.5
Apparel & Allied Products..	5.9	6.0	5.7	5.7	-0.1	0.2
Paper & Allied Products....	17.0	16.6	16.6	16.4	0.4	0.4
Printing & Publishing.....	21.2	21.1	20.1	19.9	0.1	1.1
Chemicals & Allied Products	10.5	10.6	11.6	11.6	-0.1	-1.1
Other Nondurable Goods 2/.	8.9	8.8	8.5	8.4	0.1	0.4
MINING & QUARRYING	3.4	3.3	3.0	3.0	0.1	0.4
CONSTRUCTION.....	101.2	97.1	89.8	86.4	4.1	11.4
TRANSP., COMM. & UTIL.....	104.0	102.1	99.5	97.6	1.9	4.5
WHOLESALE & RETAIL TRADE.....	478.0 _3/	468.8 _3/	459.9	449.7	9.2	18.1
Wholesale Trade.....	116.3	113.1	112.5	109.3	3.2	3.8
Retail Trade.....	361.7 _3/	355.7 _3/	347.4	340.4 _3/	6.0	14.3
FIN, INS, & REAL ESTATE.....	108.9	108.1	108.0	107.3	0.8	0.9
SERVICES.....	446.2	445.5	420.3	416.4	0.7	25.9
Health Services.....	136.5	135.9	129.7	127.8	0.6	6.8
GOVERNMENT.....	365.7	365.8	366.6	363.1	-0.1	-0.9
Federal.....	70.2	69.7	71.7	71.1	0.5	-1.5
State & Local.....	295.5	296.1	294.9	292.0	-0.6	0.6
Education.....	154.2	158.3	153.9	156.2	-4.1	0.3
WORKERS IN LABOR-MANAGEMENT DISPUTES.....	0.7	0.3	0.4	0.3	0.4	0.3

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Workers excluded because of involvement in labor-management disputes.



STATE OF WASHINGTON 6.1

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

DATE 8/2/88
Benchmark: 1987

(Not Seasonally Adjusted)

	JUNE 1988 PRELIMINARY 1/				MAY 1988 REVISED 1/				JUNE 1987 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,380,300	2,234,300	146,000	6.1	2,351,600	2,206,200	145,400	6.2	2,305,100	2,139,300	165,800	7.2
Bellingham MSA	60,400	56,500	3,900	6.5	61,200	56,700	4,500	7.4	59,800	55,400	4,400	7.4
Bremerton MSA	74,600	70,200	4,400	5.9	74,000	69,600	4,400	5.9	74,100	69,700	4,400	5.9
Olympia MSA	77,000	72,000	5,000	6.5	76,200	71,400	4,800	6.3	74,800	69,500	5,300	7.1
Seattle PMSA	1,053,000	999,800	53,200	5.1	1,052,800	1,000,100	52,700	5.0	999,800	938,600	61,200	6.1
King County 2/	836,800	794,700	42,100	5.0	835,800	794,900	40,900	4.9	793,900	746,100	47,800	6.0
Snohomish County 2/	216,200	205,100	11,100	5.1	217,000	205,200	11,800	5.4	206,000	192,600	13,400	6.5
Spokane MSA	170,700	160,000	10,700	6.3	171,500	161,000	10,500	6.1	167,400	155,600	11,800	7.0
Tacoma PMSA	249,900	233,800	16,100	6.4	247,300	231,200	16,100	6.5	242,000	222,500	19,500	8.1
Tri-Cities MSA	77,000	70,700	6,300	8.2	70,800	65,500	5,300	7.5	80,000	73,400	6,600	8.3
Benton County 2/	59,400	54,400	5,000	8.4	54,500	50,400	4,100	7.5	61,400	56,400	5,000	8.1
Franklin County 2/	17,700	16,300	1,400	7.9	16,300	15,100	1,200	7.4	18,500	16,900	1,600	8.6
Vancouver PMSA	115,800	108,700	7,100	6.1	115,200	108,400	6,800	5.9	112,500	103,200	9,300	8.3
Yakima MSA	106,400	96,800	9,600	9.0	95,600	86,100	9,500	9.9	103,100	94,200	8,900	8.6
Adams	7,430	6,840	590	7.9	7,190	6,580	610	8.5	7,160	6,500	660	9.2
Asotin	9,230	8,680	550	6.0	9,180	8,600	580	6.3	8,500	7,780	720	8.5
Clallam	23,510	21,680	1,830	7.8	23,070	21,340	1,730	7.5	23,530	21,650	1,880	8.0
Columbia	2,800	2,610	190	6.8	3,460	3,260	200	5.8	2,940	2,730	210	7.1
Cowlitz	37,140	34,780	2,360	6.4	36,610	34,140	2,470	6.7	36,530	33,510	3,020	8.3
Ferry	2,780	2,470	310	11.2	2,760	2,420	340	12.3	2,690	2,440	250	9.3
Garfield	1,130	1,070	60	5.3	1,110	1,060	50	4.5	1,170	1,100	70	6.0
Grant	27,910	25,610	2,300	8.2	25,970	23,750	2,220	8.5	27,700	25,010	2,690	9.7
Grays Harbor	25,520	23,430	2,090	8.2	25,750	23,460	2,290	8.9	26,740	24,200	2,540	9.5
Island	19,090	18,160	930	4.9	19,220	18,180	1,040	5.4	18,910	17,870	1,040	5.5
Jefferson	7,970	7,540	430	5.4	7,780	7,330	450	5.8	8,160	7,590	570	7.0
Kittitas	11,890	10,810	1,080	9.1	11,530	10,380	1,150	10.0	11,810	10,750	1,060	9.0
Klickitat	8,540	7,540	1,000	11.7	8,210	7,250	960	11.7	7,950	6,470	1,480	18.6
Lewis	25,680	23,690	1,990	7.7	25,570	23,550	2,020	7.9	24,770	22,220	2,550	10.3
Lincoln	4,510	4,300	210	4.7	4,350	4,160	190	4.4	4,620	4,360	260	5.6
Mason	12,680	11,750	930	7.3	12,560	11,610	950	7.6	12,780	11,720	1,060	8.3
Okanogan	16,310	14,480	1,830	11.2	15,570	13,720	1,850	11.9	16,030	14,230	1,800	11.2
Pacific	6,480	6,000	480	7.4	6,460	5,880	580	9.0	6,690	6,110	580	8.7
Pend Oreille	3,110	2,720	390	12.5	3,030	2,610	420	13.9	3,190	2,690	500	15.7
San Juan	6,000	5,820	180	3.0	5,580	5,340	240	4.3	6,050	5,820	230	3.8
Skagit	33,910	31,120	2,790	8.2	32,670	29,580	3,090	9.5	34,660	31,390	3,270	9.4
Skamania	2,510	2,170	340	13.5	2,470	2,130	340	13.8	2,450	2,050	400	16.3
Stevens	11,800	10,860	940	8.0	11,560	10,640	920	8.0	11,870	10,670	1,200	10.1
Wahkiakum	1,170	1,090	80	6.8	1,140	1,050	90	7.9	1,270	1,150	120	9.4
Walla Walla	25,300	24,000	1,300	5.1	25,640	24,290	1,350	5.3	25,070	23,520	1,550	6.2
Wenatchee Labor Area	43,200	39,320	3,880	9.0	39,560	35,500	4,060	10.3	41,170	37,060	4,110	10.0
Chelan County 2/	29,440	26,610	2,830	9.6	26,910	24,020	2,890	10.7	28,050	25,080	2,970	10.6
Douglas County 2/	13,760	12,710	1,050	7.6	12,650	11,480	1,170	9.2	13,120	11,980	1,140	8.7
Whitman	17,820	17,230	590	3.3	19,010	18,400	610	3.2	17,340	16,670	670	3.9

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

(Not Seasonally Adjusted)

August 2, 1988
Benchmark: 1987

	JUNE 1988 PRELIMINARY 1/				MAY 1988 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,359,400	2,220,500	138,900	5.9	2,348,800	2,210,300	138,500	5.9
Bellingham MSA	59,800	56,100	3,700	6.2	61,100	56,800	4,300	7.0
Bremerton MSA	74,000	69,800	4,200	5.7	73,900	69,700	4,200	5.7
Olympia MSA	76,400	71,600	4,800	6.3	76,100	71,500	4,600	6.0
Seattle PMSA	1,044,200	993,600	50,600	4.8	1,052,200	1,002,000	50,200	4.8
King County 2/	829,900	789,800	40,100	4.8	835,400	796,400	39,000	4.7
Snohomish County 2/	214,300	203,800	10,500	4.9	216,800	205,600	11,200	5.2
Spokane MSA	169,200	159,000	10,200	6.0	171,300	161,300	10,000	5.8
Tacoma MSA	247,800	232,400	15,400	6.2	247,000	231,700	15,300	6.2
Tri-Cities MSA	76,300	70,300	6,000	7.9	70,600	65,600	5,000	7.1
Benton County 2/	58,800	54,100	4,700	8.0	54,400	50,500	3,900	7.2
Franklin County 2/	17,500	16,200	1,300	7.4	16,300	15,100	1,200	7.4
Vancouver PMSA	114,700	108,000	6,700	5.8	115,100	108,600	6,500	5.6
Yakima MSA	105,400	96,200	9,200	8.7	95,400	86,300	9,100	9.5
Adams	7,370	6,800	570	7.7	7,180	6,600	580	8.1
Asotin	9,150	8,630	520	5.7	9,160	8,610	550	6.0
Clallam	23,280	21,540	1,740	7.5	23,030	21,380	1,650	7.2
Columbia	2,770	2,590	180	6.5	3,450	3,260	190	5.5
Cowlitz	36,810	34,560	2,250	6.1	36,560	34,210	2,350	6.4
Ferry	2,750	2,450	300	10.9	2,750	2,420	330	12.0
Garfield	1,110	1,060	50	4.5	1,110	1,060	50	4.5
Grant	27,640	25,450	2,190	7.9	25,910	23,790	2,120	8.2
Grays Harbor	25,270	23,280	1,990	7.9	25,680	23,500	2,180	8.5
Island	18,940	18,050	890	4.7	19,200	18,210	990	5.2
Jefferson	7,900	7,490	410	5.2	7,780	7,350	430	5.5
Kittitas	11,780	10,750	1,030	8.7	11,490	10,400	1,090	9.5
Klickitat	8,440	7,490	950	11.3	8,180	7,270	910	11.1
Lewis	25,440	23,540	1,900	7.5	25,520	23,590	1,930	7.6
Lincoln	4,480	4,280	200	4.5	4,350	4,170	180	4.1
Mason	12,560	11,680	880	7.0	12,530	11,630	900	7.2
Okanogan	16,130	14,390	1,740	10.8	15,500	13,740	1,760	11.4
Pacific	6,420	5,960	460	7.2	6,440	5,890	550	8.5
Pend Oreille	3,080	2,710	370	12.0	3,020	2,620	400	13.2
San Juan	5,960	5,780	180	3.0	5,580	5,350	230	4.1
Skagit	33,580	30,920	2,660	7.9	32,570	29,630	2,940	9.0
Skamania	2,470	2,150	320	13.0	2,470	2,140	330	13.4
Stevens	11,690	10,800	890	7.6	11,530	10,660	870	7.5
Wahkiakum	1,170	1,090	80	6.8	1,140	1,060	80	7.0
Walla Walla	25,090	23,850	1,240	4.9	25,610	24,330	1,280	5.0
Wenatchee Labor Area	42,770	39,080	3,690	8.6	39,430	35,570	3,860	9.8
Chelan County 2/	29,140	26,450	2,690	9.2	26,820	24,070	2,750	10.3
Douglas County 2/	13,640	12,640	1,000	7.3	12,610	11,500	1,110	8.8
Whitman	17,680	17,120	560	3.2	19,020	18,430	590	3.1

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES. STATE OF WASHINGTON

	Prelim JUN Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Jun-88	May-88	Jun-87	Jun-88	May-88	Jun-87	Jun-88	May-88	Jun-87
TOTAL MANUFACTURING INDUSTRIES*	198.288	$472.42	$477.05	$483.14	39.9	40.6	40.6	$11.84	$11.75	$11.90
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	35.573 **	$415.87	$432.23	$437.60	38.4	39.8	40.0	$10.83	$10.86	$10.94
Primary Metal Industries	9.696 **	$538.36	$531.79	$535.25	43.0	43.2	43.2	$12.52	$12.31	$12.39
Fabricated Metal Products	8.587	$449.40	$441.54	$443.29	39.7	39.6	39.9	$11.32	$11.15	$11.11
Machinery	16.785	$375.25	$368.94	$386.78	39.5	39.0	40.8	$9.50	$9.46	$9.48
Food and Kindred Products	24.903	$354.75	$364.17	$372.40	36.8	39.2	39.2	$9.64	$9.29	$9.50
Chemical and Allied Products	4.144	$615.86	$596.79	$608.82	41.5	41.3	41.7	$14.84	$14.45	$14.60
Transportation Equipment	49.836	$579.70	$586.87	$616.50	42.5	42.9	42.4	$13.64	$13.68	$14.54
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	75.111	$595.83	$599.17	$607.99	37.1	37.1	37.3	$16.06	$16.15	$16.30
Wholesale and Retail Trade (does not include eating and drinking establishments)	296.747 **	$315.07	$316.11	$314.96	33.2	33.1	33.4	$9.49	$9.55	$9.43

* Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

Employment Security Department
KG-11
Olympia WA 98504-5311

Official Business
Penalty for Private Use $300

POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB-449

CONGRESSIONAL INFO SERVICE
SRI
4520 EAST WEST HIWY
BETHESDA MD 20814

S8348-3
9/22/88 A

Washington LABOR MARKET

August 1988

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Highlights

Employment Down Seasonally

Employment declined as usual in Washington State between June and July; however, the drop was less than seasonally expected. Total employment fell 35,100, but after seasonal adjustment the job level rose 8,300 as the state's underlying economy continued to grow.

The reduction in the unadjusted level resulted from summer layoffs in education, the completion of the asparagus harvest in Eastern Washington and the near completion of the strawberry harvest west of the Cascades. Despite the loss, total employment was up 90,400 over the year or 4.3 percent. Nationally, total civilian employment was up 2.1 percent over the year in July. The national gain itself was substantial, to the degree that the Federal Reserve believes it is in the national interest to reduce the rate of growth to prevent inflation from accelerating.

Volume 12, Number 8

	July 1988* (Prel.)	June 1988 (Rev.)	July 1987
Civilian Labor Force	2,348,600	2,386,300	2,270,300
Total Employment	2,199,100	2,234,200	2,108,700
Total Unemployment	149,500	152,100	161,600
State Unemployment Rate	6.4	6.4	7.1
National Civilian Unemployment Rate	5.5	5.5	6.1

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Unemployment Rate at 6.4 Percent

The total unemployment rate prior to seasonal adjustment remained unchanged between June and July. The payroll cutbacks in July had little impact on unemployment because most of those involved were not immediately seeking new jobs. Meanwhile, continued growth in construction, retail trade, aerospace and other industries provided new employment opportunities. The preliminary June rate at 6.1 percent, however, was revised upward after complete counts of insured claimants were received for computing the estimate of total unemployment. After seasonal adjustment, the jobless rate rose from 6.4 percent in May to 6.7 percent in June but dropped back to 6.5 percent in July.

More significant, the year-to-year comparison shows the number of unemployed individuals down 12,100 in July. The unadjusted rate in July 1987 was 7.1 percent compared with 6.4 percent this July. Moreover, the July 1988 rate was the lowest July rate in ten years.

INDUSTRY DEVELOPMENTS

Harvest Activity Shifts

Agricultural employment declined from June highs with the asparagus harvest over and the winding down of the cherry and strawberry harvest. Farm activity remained brisk in July as usual with the raspberry harvest underway in Western Washington and the wheat, barley, early potato,

apricot and peach harvests in Eastern Washington. Apple thinning and hop yard work also continued.

Outlook Brightens For State Wheat Farmers

The outlook for Washington wheat growers brightened as prices advanced because of the drought in the midwest, while spring rains improved the prospects for the crop in this state. The price of wheat in Washington State averaged $3.71 a bushel this July (preliminary) versus $2.53 a bushel in July 1987. Production for all wheat in the state is expected to be ten percent higher than in 1987 by the Washington Agricultural Statistics Service.

Seasonal Cutback in Education Lowers Nonfarm Payrolls

Nonagricultural employment fell 20,300 in July with a drop of 30,700 in public education where thousands of bus drivers, cafeteria workers, and other support staff were laid off for the summer. (Teachers and other certificated staff are counted as employed in the summer because they are paid on a twelve-month basis.)

The drop in education, however, was cushioned by seasonal growth in other government jobs. Noneducation public employment rose 6,500 because of the addition of summer workers at parks, playgrounds and forests and government programs which provide summer work-experience jobs to youth from low-income families. Over 4,200 youth held these jobs in July.

Data Processing Growth Strong

Normal July reductions in private education (down 1,800) offset advancing industries in the services group where the job total fell 700. Most of the increases were in seasonal jobs. The major exception was in computer and data processing which was up about 200 in July and 1,600 (14 percent) over the year. Shortages of qualified applicants have been reported in this field.

Other gains were reported by personnel supply agencies which were busy furnishing vacation-replacement workers during the month, and amusements (summer sports, amusement parks, county fairs, carnivals, etc.) which continued their summer expansions. Summer camps (YMCAs, scouts, etc.) also provided numerous jobs in July.

Asparagus Run Complete

Wholesale trade was the only other nonmanufacturing industry to reduce employment in July. The loss, however, occurred at fruit and vegetable warehouses where labor

requirements fell following the end of the asparagus harvest. Summer growth in the industry will resume with the harvest of summer fruit and vegetables. Other wholesale employment rose in July with a sizable gain in sportswear wholesaling where orders began shifting to winter apparel.

Restaurants Busy

Retail trade payrolls moved up 2,900 in July with restaurants busy with the expanding summer tourist business. Gasoline stations, though, did not expand as usual in July. Gasoline sales were undoubtedly up from June, suggesting those employed worked more hours per week. This industry employs many part-time workers, and the shortage of teenage workers may have accounted for the lack of employment growth. Special sales promotions in apparel created several hundred other temporary jobs in retail trade. Grocery stores also added staff as usual in the summer months.

Construction Booming

Construction led the expanding industries in July with a gain of 3,300. Commercial construction has provided the major impetus to the growth in the building trades this year, but even housing starts have remained strong in Washington State, while falling nationally because of rising interest rates and the over-building of multi-family units. Construction of rental units in the Central Puget Sound area remains brisk, by contrast, because of low vacancy rates. This, of course, reflects growing employment opportunities and an influx of new residents. Over the year, construction employment in the state has increased 13,000, or 14 percent, compared with a 4.4 percent gain in total nonfarm payroll employment.

In other nonmanufacturing industries, transportation-communications-utilities employment rose 1,100 in July while finance-insurance-real estate added 500 workers. Summer tourist activity and business growth were credited with the new jobs in transportation, while hiring for vacation replacements and summer outdoor maintenance accounted for the growth in communications and utilities. A seasonal upturn in real estate was accounted for most of the new jobs in its group.

Manufacturing Strong But Slips In July

Manufacturing employment fell in July for the first time in 1988 with a loss of 2,000 from June. The loss largely resulted from a seasonal reduction in food processing and labor disputes in the lumber industry. Employment in most other industries continued to expand.

Cannery Jobs Fall Temporarily

The job total in food processing alone fell 2,000, mainly because of the completion of work on this year's asparagus crop. The reduction was greater than usual for July, but the expansion this spring was greater than normal, and industry employment was still up over the year in July. Seasonal growth in the industry will resume in August when work will shift to summer fruits and vegetables.

1,600 On Strike In Lumber

With 1,600 wood products workers involved in labor disputes in July, industry employment fell 1,500. Little growth was noted at firms not involved in the dispute, probably because of inventory buildup prior to the strike and cautious buying on the part of customers who wished to avoid strike-related price levels. The dispute at the Simpson Timber Company where 800 workers were involved was settled in late August, but it will still affect the mid-August employment level for the industry.

Aerospace Still Growing

Record jetliner orders at The Boeing Company continue to push their workforce above levels forecast at the beginning of the year. Employment in aerospace added 500 in July and has increased 3,200 from the end of 1987. Over the comparable period in 1988, employment in the industry rose 5,000.

In other manufacturing industries, gains of 200 to 300 in July were credited to machinery, aluminum, apparel, and pulp-paper. Chemicals, however, continued to decline because of cutbacks at the Hanford Nuclear Reservation. Chemicals employment fell 200 in July and was down 1,300 over the year.

1988 Solid

Nonfarm payroll employment continues to maintain a substantial lead over its year-ago level. In July nonagricultural wage and salary jobs were up 80,700 over the year, an increase of 4.4 percent. By comparison, the nonfarm total rose 69,400, or 3.9 percent, in 1987. The current rate of growth is probably not sustainable, but the expansion will still be substantial in the remainder of the year.

A somewhat slower growth rate is likely in subsequent months because some industries such as pulp-paper and aluminum are now operating at near capacity. And while the labor disputes may soon be resolved in the lumber industry, demand for lumber has begun to soften because of a decline in housing starts nationally and some reduction in the demand for logs in Japan. In addition, The Boeing Company has forecast that while its workforce will increase in the third quarter, the gain will be offset by cutbacks in the fourth quarter.

Strong Growth In Manufacturing Over the Year

Services (up 25,000), retail trade (up 16,000) and construction (up 13,000) were credited with the largest over-the-year employment gains. After adjustment for labor disputes, however, the relative year-to-year growth in manufacturing equaled that of the nonmanufacturing industries at 4.5 percent.

Even with approximately 1,900 workers on strike, manufacturing payrolls were up 12,500 over the year, or 3.9 percent. Aerospace continued to lead the expansion over the 12-month period with an increase of 7,600 from July 1987. Other basic industries added 4,900 jobs with the largest in aluminum (up 1,400), machinery (up 1,400), other transportation equipment - trucks, boats, ships, etc. - up 1,800), and printing-publishing (up 1,100). The only year-to-year losses occurred in lumber (down 1,600) because of labor disputes and in chemicals (down 1,300) because of cutbacks at Hanford.

AREA TRENDS

Unemployment Up In Eastern Washington, Down On West Side

In contrast to the spring months when relative employment gains and reductions in unemployment were greater east of the Cascades than in Western Washington, because of growth in agriculture and related food processing employment, employment fell substantially in Eastern Washington in July and unemployment rose while relatively little change occurred on the west side.

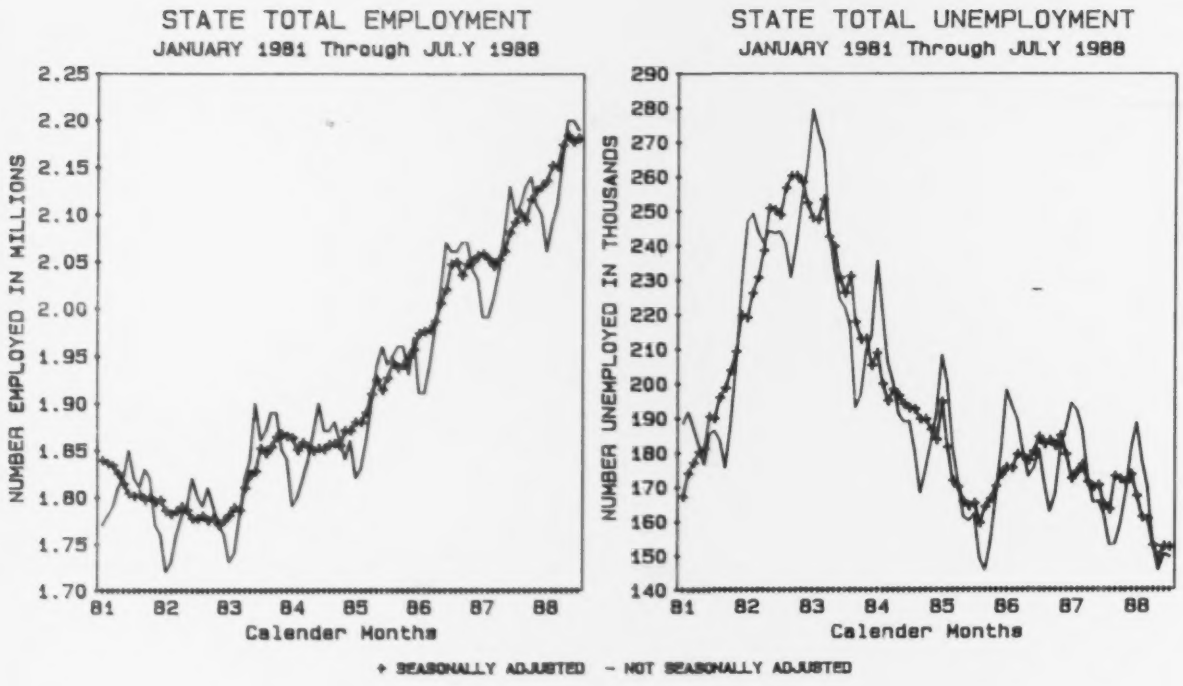
In Eastern Washington, employment fell nearly 29,000 in August, but unemployment rose less than 800, which reflects the mobile nature of many of the state agricultural laborers and food processing workers. A large share of the state's asparagus workers are migrants from the southwest. Despite the relatively small

increase in unemployment, however, the jobless rate east of the Cascades jumped from 7.9 to 8.5 percent between June and July because of a smaller labor force in the latter month.

The largest increases in unemployment rates occurred in areas where the harvesting and processing of asparagus are of major importance. In Yakima County the jobless rate rose from 9.3 to 11.4 percent over the month, while Walla Walla County saw its rate increase from 5.3 to 6.2 percent. In Columbia County the rate more than doubled, from 6.5 to 15.9 percent, but the number of unemployed workers in this sparsely populated county rose from only 190 to 260 while employment fell from 2,730 to 1,380. By contrast, the unemployment rate in the larger more diversified Spokane Metropolitan Area dropped from 6.5 to 6.2 percent between June and July.

In Western Washington employment fell nearly 6,400, less than four-tenths of one percent, largely due to cutbacks in public education and the near completion of the strawberry harvest. Many of these workers, however, did not immediately seek new jobs and were not counted as unemployed. Growth in other industries, on the other hand, lowered unemployment about 3,300 and the jobless rate edged down from 5.9 to 5.8 percent. The rate in the Seattle Metropolitan Area also slipped one-tenth of a point in July to 5.1 percent, while the unemployment rate in the Tacoma area edged down from 6.7 to 6.5 percent.

Over the year, jobless rates were down in nearly all areas of the state. Two of the more substantial reductions occurred in areas where aluminum plants were reopened in the last half of 1987: the unemployment rate in the Vancouver Metropolitan Area fell from 7.8 to 5.9 percent, while the rate in Klickitat County plunged from 17.2 to 10.7 percent year to year.



INDUSTRY NOTES

Some Settlements In Lumber Industry

In late August labor disputes were settled at all but two firms in the lumber industry. The two disputes continuing included 170 union workers of the Summit Timber Company in Darrington and 168 union workers at the Champion International Mill in Klickitat County. Weyerhaeuser's union workers have remained on the job, but negotiations were still in progress at the end of August. The International Woodworkers of America represents an estimated 6,000 Weyerhaeuser workers in Oregon and Washington.

About 800 Simpson Timber Company workers ended their strike after agreeing to a new contract which provides an initial bonus of $1,400, a three percent wage increase in the second year, and four percent increases in the third and fourth years. The new agreement also restored two holidays cut in the previous contract and provides for a bonus week of pay usually paid at Christmas. Boise Cascade workers accepted a

similar agreement, except it did not include a fourth year.

Lacey Plywood Closes

Lacey Plywood halted production in early August and laid off 85 employees. The firm laid off 40 workers earlier this year. Veneer Services Inc., which owns the firm, also closed a mill in Elma in February. A company spokesman cited the high cost of logs and veneer for the closures. The equipment in both the Lacey and Elma mills will be maintained in case favorable market conditions return. Meanwhile, the laid off workers have been told that jobs are available at two mills owned by the firm in Oregon.

Weather On Strike

While labor and management were settling their differences in August, nature was still holding out. Hot, dry weather at the end of August created fire hazard conditions in the forests and resulted in the closure or curtailment of logging activities on 12.5 million acres of public land in Washington State. All logging operations west of the Cascades were shut down and cable logging and chainsaw use were prohibited in Eastern Washington logging operations.

Boeing Backlog Reaches $40 Billion

Going into the last week of August, orders for Boeing jetliners totaled 466 so far in 1988. The previous record was in 1978 when Boeing sold 461 planes for the entire year. The dollar value of the orders through August was $20.7 billion, above the record $19.9 billion total for all of 1987. Moreover, with additional multi-billion dollar orders possible in the final four months of 1988, total sales could reach $30 billion. The company's backlog of jet orders in August totaled over $40 billion, and production lines for many models are full into the early 1990s.

The long-term outlook for the aircraft industry is also promising. Boeing forecasts a five percent average growth rate in air travel worldwide through the year 2005 and industry-wide sales of 7,400 jetliners. A recession, however, would likely cause airlines to stretch out orders, but Boeing's huge backlog should prevent any dramatic drop in production and employment.

Workers Now Owners

The former WFI Industries, a large Seattle shipbuilding and tugboat company, resumed operation as Unimar in August with its

400 employees holding 73 percent of the company's stock under a reorganization plan. WFI Industries was one of the state's largest employers before drastic reductions in the shipbuilding industry forced it into bankruptcy with the loss of 1,100 jobs in 1986. A spokesman for Unimar said that the firm already has some contracts and will be marketing its services aggressively.

Software Business Expanding

Sales of software for personal computers by U.S. firms jumped 51 percent in 1988, according to a survey by the Software Publishers Association. The Seattle area is well represented in the industry with Microsoft, the industry's largest company, and Aldus Corp, the tenth largest located there. More than three-fourths of the national sales of PC software was for IBM PCs and compatibles using Microsoft's MS-DOS format.

Growth in the software industry has largely been responsible for 1,600 new jobs in the state's computer and data processing services industry over the year, a gain of nearly 14 percent.

NATIONAL ECONOMIC INDICATORS

Economy Remains Strong

Economic indicators generally continue to point to an exceptionally strong national economy, but some data suggest that a slowdown in the rate of expansion may occur later this year. The Federal Reserve has raised short-term interest rates in recent months in order to prevent the economy from overheating and inflation from accelerating. The effect of higher interest rates has not yet fully worked its way through the economy, however.

Factories Operating At Eight-Year High

In June the ratio of factory inventories to shipments fell to the lowest level on record. Factories must now step up production to avoid losing sales. Factories, mines and utilities in July increased their operating rates to 83.5 percent of capacity, according to the Federal Reserve Board. The July rate was the highest since March 1980. In a separate report the Federal Reserve estimated U.S. industrial production rose 0.8 percent in July, the largest increase in nine months.

Consumers Spend Less

Consumer spending, unemployment and the Index of Leading Economic Indicators, on the other hand, suggest a slowing trend could be on its way. Consumer spending rose 0.5 percent in July, less

than half of its increase of 1.1 percent in June. Personal income, however, rose 0.6 percent in both June and July and some analysts believe even slower growth in consumer spending is needed to avoid a surge in inflation.

National Unemployment Edges Up

The national unemployment rate rose from 5.4 to 5.6 percent (seasonally adjusted) between July and August to post its second increase since hitting a 14-year low of 5.2 percent in June. Seasonally adjusted manufacturing employment also pulled back in August, falling 5,000 for its first drop since January 1987. The loss was small, however, compared with the 45,000 increase in July, and despite the overall cutback in August, employment growth continued in export industries such as electrical equipment, chemicals and paper.

Leading Indicators Tumble

The Index of Leading Economic Indicators fell 0.8 percent in August which was its steepest drop in eight months. The decline, however, followed an exceptionally strong increase of 1.4 percent in June. Many economists viewed the drop as a partial pullback from June and expect to see a gain in the index in August.

Seven of the nine leading indicators for which data were available declined in July. The average work week of manufacturing production workers was unchanged. Indicators posting losses included initial claims for unemployment compensation (increased), orders for consumer goods, the business delivery index, orders for plant and equipment, building permits, stock market prices and the money supply. The sensitive material price index was the only leading indicator to move up in August.

Purchasing Managers See Slower Growth

The August survey of 250 purchasing managers by the National Association of Purchasing Managers found that while the economy continued to grow in August, growth rates were down from earlier months. Growth rates for both production and new orders slowed, but not enough to prevent employment at the firms represented in the survey from increasing.

The association's overall index dropped from 58 percent in July to 56.2 percent in August. Included in the index are measures of new orders, production, vendor deliveries and employment. A reading above 50 percent indicates the economy is generally expanding.

AUG 1988

University of Michigan Sees Strong Growth Continuing

Despite the recent rise in interest rates, the Michigan Quarterly Econometric Model in July projected GNP growth of 3.8 percent and an unemployment rate of 5.6 percent for 1988. In June the model projected 1988 GNP growth at 3.3 percent and unemployment at 5.7 percent for this year. The Michigan forecasters cited stronger export demand for the more optimistic projection, but said the projection represented continued rather than rapid growth.

CONSUMER PRICE INDEX
(All Items, Urban Consumers, 1982-1984=100)**

	INDEXES			PERCENT CHANGE Year Ending	
	July 1988	June 1988	July 1987	July 1988	June 1988
U.S. City Average	118.5	118.0	113.8	4.1	4.0
	Jan.-June 1988	Jan.-June 1987		Jan.-June '87 to Jan.-June '88	
Seattle*	111.9	108.2		3.4	

* The index for Seattle reflects prices in King, Pierce and Snohomish counties.

** The base period for the index has been changed from 1967=100 to 1982-1984=100. The conversion factors for the All Items, Urban Consumers Indexes on the 1967=100 base are U.S=0.3338279, Seattle=0.3280421.

Source: U.S. Department of Labor, Bureau of Labor Statistics

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

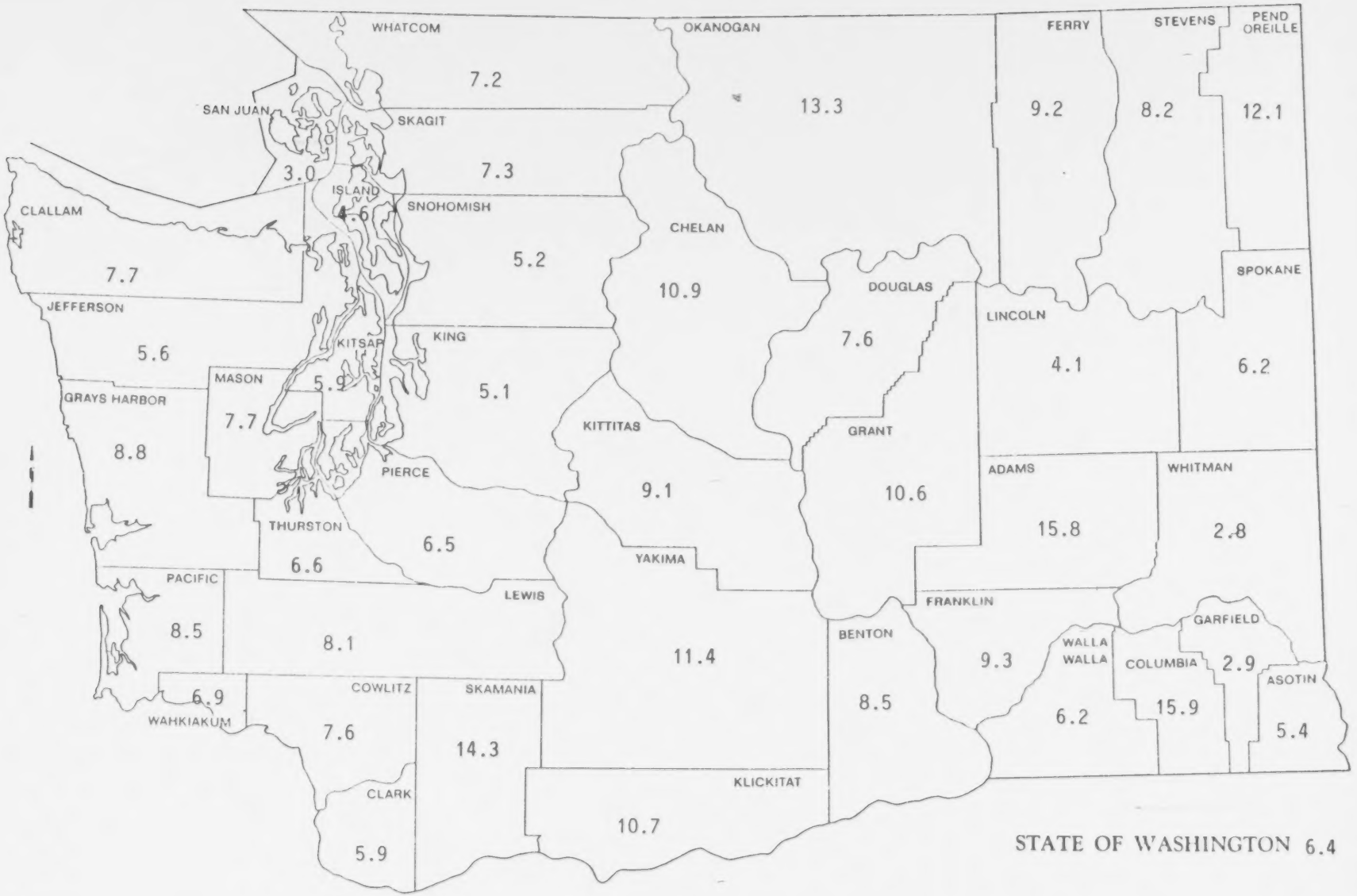
(In Thousands)

NOT SEASONALLY ADJUSTED Industry	July 1988 (PREL.)	June 1988 (REV.)	July 1987 (REV.)	June 1987 (REV.)	Numerical Change: June 1988 to July 1988	Numerical Change: July 1987 to July 1988
TOTAL NONAG. WAGE AND SALARY	1,923.5	1,943.8	1,842.8	1,864.3	-20.3	80.7
MANUFACTURING	331.3	333.3	318.8	317.2	-2.0	12.5
Durable Goods	236.2	236.5	224.6	222.7	-0.3	11.6
Lumber and Wood Products	39.8 3/	41.3 3/	41.4	40.9	-1.5	-1.6
Furniture and Fixtures	3.7	3.7	3.7	3.7	0.0	0.0
Stone, Clay and Glass	6.9	6.8	6.9	6.7	0.1	0.0
Primary Metals	12.4 3/	12.2 3/	11.1	10.8	0.2	1.3
Aluminum	8.7	8.5	7.3	7.0	0.2	1.4
Fabricated Metals	11.1	11.0	10.6	10.4	0.1	0.5
Machinery	31.1	30.8	29.7	29.6	0.3	1.4
Machinery (Except Electrical)	17.4	17.3	16.6	16.5	0.1	0.8
Electrical Equipment	13.7	13.5	13.1	13.1	0.2	0.6
Transportation Equipment	115.1	114.7	105.7	105.2	0.4	9.4
Aerospace	100.6	100.1	93.0	92.1	0.5	7.6
Other Transp. Equipment	14.5	14.6	12.7	13.1 3/	-0.1	1.8
Instruments and Related	11.1	11.0	10.9	10.7	0.1	0.2
Misc. Manufacturing	5.0	5.0	4.6	4.7	0.0	0.4
Nondurable Goods	95.1	96.8	94.2	94.5	-1.7	0.9
Food and Kindred Products	31.6	33.4	31.2	32.0	-1.8	0.4
Canned and Preserved Foods	10.7	12.7	10.3	11.6	-2.0	0.4
Apparel and Allied Products	6.0	5.8	5.9	5.7	0.2	0.1
Paper and Allied Products	17.2	17.0	16.8	16.6	0.2	0.4
Printing and Publishing	21.2	21.2	20.1	20.1	0.0	1.1
Chemicals and Allied Products	10.3	10.5	11.6	11.6	-0.2	-1.3
Other Nondurable Goods 2/	8.8	8.9	8.6	8.5	-0.1	0.2
MINING and QUARRYING	3.4	3.4	3.0	3.0	0.0	0.4
CONSTRUCTION	105.0 3/	101.7	92.0 3/	89.8	3.3	13.0
TRANSP.,COMM. and UTIL.	105.2	104.1	100.3	99.5	1.1	4.9
WHOLESALE and RETAIL TRADE	480.2 3/	478.5 3/	460.5	459.9	1.7	19.7
Wholesale Trade	115.6	116.8	111.9	112.5	-1.2	3.7
Retail Trade	364.6 3/	361.7 3/	348.6	347.4	2.9	16.0
FIN. INS. and REAL ESTATE	109.6	109.1	108.5	108.0	0.5	1.1
SERVICES	445.8	446.5	420.8	420.3	-0.7	25.0
Health Services	136.7	136.6	130.6	129.7	0.1	6.1
GOVERNMENT	343.0	367.2	338.9	366.6	-24.2	4.1
Federal	70.5	70.2	72.2	71.7	0.3	-1.7
State and Local	272.5	297.0	266.7	294.9	-24.5	5.8
Education	123.6	154.3	122.8	153.9	-30.7	0.8
WORKERS IN LABOR-MANAGEMENT DISPUTES	2.4	0.7	0.1	0.4	1.7	2.3

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Workers excluded because of involvement in labor-management disputes.



STATE OF WASHINGTON 6.4

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

DATE 8/30/88
Benchmark: 1987

(Not Seasonally Adjusted)

	JULY 1988 PRELIMINARY 1/				JUNE 1988 REVISED 1/				JULY 1987 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,348,600	2,199,100	149,500	6.4	2,386,300	2,234,200	152,100	6.4	2,270,300	2,108,700	161,600	7.1
Bellingham MSA	61,300	56,900	4,400	7.2	61,500	56,800	4,700	7.6	59,900	55,600	4,300	7.2
Bremerton MSA	73,100	68,800	4,300	5.9	74,900	70,300	4,600	6.1	72,800	68,600	4,200	5.8
Olympia MSA	76,100	71,100	5,000	6.6	77,300	72,100	5,200	6.7	73,500	68,400	5,100	6.9
Seattle PMSA	1,051,700	997,800	53,900	5.1	1,057,200	1,002,100	55,100	5.2	998,500	940,000	58,500	5.9
King County 2/	835,700	793,100	42,600	5.1	840,000	796,500	43,500	5.2	793,200	747,200	46,000	5.8
Snohomish County 2/	216,000	204,700	11,300	5.2	217,300	205,600	11,700	5.4	205,400	192,900	12,500	6.1
Spokane MSA	168,100	157,600	10,500	6.2	170,200	159,100	11,100	6.5	163,600	152,500	11,100	6.8
Tacoma PMSA	248,700	232,600	16,100	6.5	249,100	232,400	16,700	6.7	240,400	221,800	18,600	7.7
Tri-Cities MSA	69,100	63,200	5,900	8.5	77,500	71,000	6,500	8.4	70,800	64,600	6,200	8.8
Benton County 2/	53,100	48,600	4,500	8.5	59,600	54,600	5,000	8.4	54,100	49,700	4,400	8.1
Franklin County 2/	16,100	14,600	1,500	9.3	17,800	16,400	1,400	7.9	16,700	14,900	1,800	10.8
Vancouver PMSA	115,100	108,300	6,800	5.9	116,100	109,000	7,400	6.4	110,700	102,100	8,600	7.8
Yakima MSA	93,100	82,500	10,600	11.4	105,300	95,500	9,800	9.3	92,200	82,100	10,100	11.0
Adams	7,140	6,010	1,130	15.8	7,510	6,860	650	8.7	7,070	6,030	1,040	14.7
Asotin	9,180	8,680	500	5.4	9,250	8,700	550	5.9	8,430	7,820	610	7.2
Clallam	22,980	21,200	1,780	7.7	23,450	21,560	1,890	8.1	23,300	21,460	1,840	7.9
Columbia	1,640	1,380	260	15.9	2,920	2,730	190	6.5	1,910	1,580	330	17.3
Cowlitz	37,160	34,350	2,810	7.6	37,420	34,860	2,560	6.8	36,160	32,870	3,290	9.1
Ferry	2,710	2,460	250	9.2	2,770	2,480	290	10.5	2,710	2,480	230	8.5
Garfield	1,030	1,000	30	2.9	1,130	1,070	60	5.3	1,110	1,060	50	4.5
Grant	26,020	23,250	2,770	10.6	27,950	25,590	2,360	8.4	25,510	22,580	2,930	11.5
Grays Harbor	25,690	23,440	2,250	8.8	25,880	23,660	2,220	8.6	25,920	23,490	2,430	9.4
Island	18,960	18,080	880	4.6	19,150	18,220	930	4.9	18,810	17,830	980	5.2
Jefferson	8,180	7,720	460	5.6	8,000	7,560	440	5.5	8,310	7,750	560	6.7
Kittitas	10,820	9,830	990	9.1	12,110	10,990	1,120	9.2	10,800	9,760	1,040	9.6
Klickitat	8,210	7,330	880	10.7	8,620	7,550	1,070	12.4	7,680	6,360	1,320	17.2
Lewis	25,340	23,300	2,040	8.1	25,780	23,720	2,060	8.0	23,940	21,570	2,370	9.9
Lincoln	4,420	4,240	180	4.1	4,530	4,310	220	4.9	4,490	4,250	240	5.3
Mason	12,650	11,680	970	7.7	12,950	11,970	980	7.6	13,070	12,070	1,000	7.7
Okanogan	16,590	14,380	2,210	13.3	16,430	14,520	1,910	11.6	16,020	13,860	2,160	13.5
Pacific	6,460	5,910	550	8.5	6,450	5,910	540	8.4	6,750	6,140	610	9.0
Pend Oreille	3,390	2,980	410	12.1	3,300	2,840	460	13.9	3,130	2,670	460	14.7
San Juan	6,000	5,820	180	3.0	5,890	5,690	200	3.4	6,550	6,350	200	3.1
Skagit	36,630	33,940	2,690	7.3	34,200	31,290	2,910	8.5	36,840	33,630	3,210	8.7
Skamania	2,380	2,040	340	14.3	2,510	2,170	340	13.5	2,210	1,890	320	14.5
Stevens	11,520	10,580	940	8.2	11,810	10,790	1,020	8.6	11,820	10,690	1,130	9.6
Wahkiakum	1,160	1,080	80	6.9	1,180	1,100	80	6.8	1,240	1,130	110	8.9
Walla Walla	24,040	22,550	1,490	6.2	25,430	24,090	1,340	5.3	24,240	22,460	1,780	7.3
Wenatchee Labor Area	44,840	40,420	4,420	9.9	42,530	38,570	3,960	9.3	43,040	38,880	4,160	9.7
Chelan County 2/	30,700	27,350	3,350	10.9	29,180	26,100	3,080	10.6	29,300	26,310	2,990	10.2
Douglas County 2/	14,140	13,070	1,070	7.6	13,350	12,470	880	6.6	13,750	12,570	1,180	8.6
Whitman	17,220	16,740	480	2.8	17,770	17,180	590	3.3	16,760	16,260	500	3.0

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics estimates, which must be used for Federal program purposes, are available upon request.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT
ESTIMATES FOR FEDERAL PROGRAM PURPOSES

August 30, 1988
Benchmark: 1987

(Not Seasonally Adjusted)

	JULY 1988 PRELIMINARY 1/				JUNE 1988 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,318,500	2,176,600	141,900	6.1	2,364,600	2,220,400	144,200	6.1
Bellingham MSA	60,500	56,300	4,200	6.9	61,000	56,500	4,500	7.4
Bremerton MSA	72,200	68,100	4,100	5.7	74,300	69,900	4,400	5.9
Olympia MSA	75,100	70,400	4,700	6.3	76,600	71,700	4,900	6.4
Seattle PMSA	1,038,700	987,600	51,100	4.9	1,048,200	995,900	52,300	5.0
King County 2/	825,400	785,000	40,400	4.9	832,800	791,600	41,200	4.9
Snohomish County 2/	213,300	202,600	10,700	5.0	215,400	204,300	11,100	5.2
Spokane MSA	166,000	156,000	10,000	6.0	168,700	158,100	10,600	6.3
Tacoma PMSA	245,600	230,300	15,300	6.2	246,700	230,900	15,800	6.4
Tri-Cities MSA	68,100	62,500	5,600	8.2	76,600	70,500	6,100	8.0
Benton County 2/	52,400	48,100	4,300	8.2	59,100	54,300	4,800	8.1
Franklin County 2/	15,800	14,400	1,400	8.9	17,700	16,300	1,400	7.9
Vancouver PMSA	113,600	107,100	6,500	5.7	115,300	108,300	7,000	6.1
Yakima MSA	91,800	81,700	10,100	11.0	104,200	94,900	9,300	8.9
Adams	7,020	5,950	1,070	15.2	7,440	6,820	620	8.3
Asotin	9,070	8,590	480	5.3	9,170	8,650	520	5.7
Clallam	22,670	20,980	1,690	7.5	23,220	21,430	1,790	7.7
Columbia	1,610	1,360	250	15.5	2,890	2,710	180	6.2
Cowlitz	36,670	34,000	2,670	7.3	37,080	34,650	2,430	6.6
Ferry	2,670	2,430	240	9.0	2,730	2,460	270	9.9
Garfield	1,020	990	30	2.9	1,110	1,060	50	4.5
Grant	25,650	23,020	2,630	10.3	27,660	25,430	2,230	8.1
Grays Harbor	25,330	23,200	2,130	8.4	25,610	23,510	2,100	8.2
Island	18,720	17,890	830	4.4	19,000	18,110	890	4.7
Jefferson	8,070	7,640	430	5.3	7,930	7,510	420	5.3
Kittitas	10,660	9,720	940	8.8	11,990	10,920	1,070	8.9
Klickitat	8,080	7,250	830	10.3	8,510	7,500	1,010	11.9
Lewis	24,990	23,060	1,930	7.7	25,520	23,570	1,950	7.6
Lincoln	4,360	4,190	170	3.9	4,480	4,280	200	4.5
Mason	12,480	11,560	920	7.4	12,830	11,900	930	7.2
Okanogan	16,330	14,230	2,100	12.9	16,240	14,430	1,810	11.1
Pacific	6,370	5,850	520	8.2	6,380	5,870	510	8.0
Pend Oreille	3,340	2,950	390	11.7	3,250	2,820	430	13.2
San Juan	5,930	5,760	170	2.9	5,840	5,650	190	3.3
Skagit	36,140	33,590	2,550	7.1	33,860	31,100	2,760	8.2
Skamania	2,350	2,020	330	14.0	2,480	2,160	320	12.9
Stevens	11,360	10,470	890	7.8	11,680	10,720	960	8.2
Wahkiakum	1,140	1,060	80	7.0	1,170	1,090	80	6.8
Walla Walla	23,740	22,320	1,420	6.0	25,210	23,940	1,270	5.0
Wenatchee Labor Area	44,210	40,010	4,200	9.5	42,090	38,330	3,760	8.9
Chelan County 2/	30,250	27,070	3,180	10.5	28,860	25,940	2,920	10.1
Douglas County 2/	13,960	12,940	1,020	7.3	13,230	12,390	840	6.3
Whitman	17,030	16,570	460	2.7	17,640	17,080	560	3.2

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim JUL Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Jul-88	Jun-88	Jul-87	Jul-88	Jun-88	Jul-87	Jul-88	Jun-88	Jul-87
TOTAL MANUFACTURING INDUSTRIES*	197,887	$473.59	$473.20	$462.40	39.4	40.0	40.0	$12.02	$11.83	$12.06
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	33,938 **	$423.75	$429.16	$444.21	37.5	39.3	39.0	$11.30	$10.92	$11.39
Primary Metal Industries	9,863 **	$534.87	$538.79	$545.31	43.1	43.0	43.8	$12.41	$12.53	$12.45
Fabricated Metal Products	8,583	$452.98	$450.20	$427.19	39.7	39.7	38.8	$11.41	$11.34	$11.01
Machinery	19,644	$370.75	$378.10	$376.54	38.7	39.8	40.1	$9.58	$9.50	$9.39
Food and Kindred Products	23,547	$373.69	$361.74	$369.27	36.6	36.8	37.3	$10.21	$9.83	$9.90
Chemical and Allied Products	4,190	$609.41	$615.03	$612.35	40.9	41.5	41.6	$14.90	$14.82	$14.72
Transportation Equipment	48,764	$582.58	$577.91	$605.26	42.4	42.4	41.8	$13.74	$13.63	$14.48
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	78,330	$592.12	$592.37	$599.41	37.1	37.0	37.3	$15.96	$16.01	$16.07
Wholesale and Retail Trade (does not include eating and drinking establishments)	299,035 **	$318.14	$313.50	$313.23	32.9	33.0	33.5	$9.67	$9.50	$9.35

* Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

Employment Security Department
KG-11
Olympia WA 98504-5311

Official Business
Penalty for Private Use $300

POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB-449

CONGRESSIONAL INFO SERVICE
SRI
4520 EAST WEST HIWY
BETHESDA MD 20814